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ANNUAL REPORT OF THE ADMINISTRATOR FOR 1996 AND RELATED MATTERS

INTRODUCTION BY THE ADMINISTRATOR

SUMMARY

The year 1996 was productive in consolidating achievements in reorienting UNDP and defining further changes needed. The present document identifies progress towards the key objectives of the UNDP Plan (1996-1997), which responds to Executive Board and General Assembly legislation to revitalize the United Nations and consolidate the role of UNDP as its sustainable human development (SHD) arm. It highlights:

- UNDP effectiveness in sharpening the focus on poverty eradication within SHD and in identifying action to be taken (DP/1997/16/Add.1 provides details);
- UNDP closer attention to gender mainstreaming to complement achievements in other areas of SHD such as environment and governance;
- Issues relating to the new programming arrangements and delivery;
- Action to strengthen country office capacity;
- UNDP commitment to the resident coordinator system;
- UNDP role in countries in crisis and special circumstances;
- Strengthening of evaluation, accountability and oversight;
- Management actions to accelerate change in UNDP.

Considered with the addendum on change management (DP/1997/16/Add.7), the introduction gives a comprehensive picture of implementing Board decisions, especially 94/14.

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I. CHALLENGES FOR UNDP

1. UNDP has an important part to play in sustaining the United Nations presence and strength in development, including the coordinated follow-up to global conferences. The main goal of development cooperation - and the central mission of UNDP - is to help countries to eradicate poverty and make human development sustainable (see annex I). Despite efforts to improve human development over the past 30 years, it is estimated that almost one third of the developing world's population lives on less than $1 a day. No global challenge is more urgent than poverty eradication. To meet this challenge, UNDP is committed to helping countries to achieve SHD by building capacity for: poverty eradication; employment and sustainable livelihoods; the advancement and empowerment of women; and the sustainable management of environmental resources. None of these is achievable without sound, responsive governance. Within this framework, nothing is more central to the role of UNDP in the future than assisting poor families to find opportunities and access to assets such as credit, skills, legal rights, jobs, environmental and energy services, and links with domestic and international markets. Development activities are important in countries subject to complex emergencies and other crises. Building sustainable livelihoods, addressing such consequences of crises as the need to reintegrate demobilized soldiers, and expanding capacity for governance and community self-management are important curative or preventive forms of development.

2. UNDP must also continuously improve its readiness to respond rapidly to the opportunities and uncertainties of globalization, growing interdependence between nations, rapid developments in information technology and the increasing importance of private financial flows to developing countries - now 35 times greater than in 1970. Challenges specific to UNDP within the United Nations include value-added efforts to help a diverse set of countries to benefit sustainably from globalization trends and to take advantage of opportunities offered by the new information age. Changes within UNDP must therefore strengthen it as an impartial partner in building capacities to support national efforts to realize SHD.

II. 1996: A FOCUSED UNDP: ACHIEVEMENTS AND CONSTRAINTS

3. The following sections cover UNDP achievements in 1996, constraints on progress, and strategic actions to be taken to meet the five objectives of the UNDP Plan (annex II).

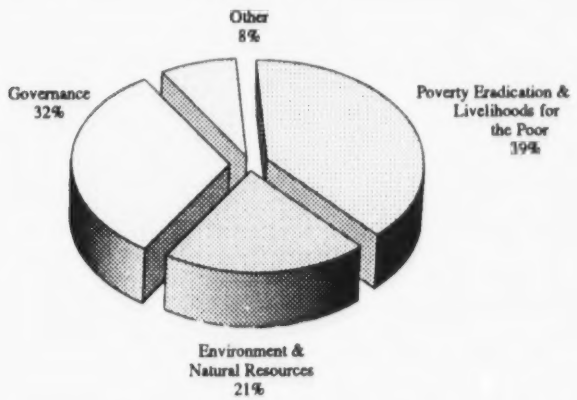
A. Sharpening the focus on poverty eradication

4. In supporting country-defined priorities and action plans, key programmatic actions in 1996 to sharpen the UNDP focus included: (a) implementing the new resource distribution formula assigning more resources to the most needy countries (nearly 90 per cent of core resources go to low-income countries, home to 90 per cent of the world's poor); (b) fine-tuning the objectives of ongoing programmes through mid-term reviews and evaluations and ensuring that new projects fall within the SHD areas of focus; (c) focusing advisory notes and country cooperation frameworks (CCFs) specifically on poverty eradication. Forty advisory notes were produced and three CCFs were submitted to the Executive Board in 1996. The Programme Management Oversight Committee (PMOC) reviewed them and shared lessons learned with country offices and also noted the importance of comprehensive situation analyses supported by the resident coordinator system, such as the common country assessments (CCAs) now being implemented.

5. UNDP has made considerable progress in transforming its new focus into reality as shown by the resources approved for programming since 1994: 39 per

cent of core funding goes directly to poverty eradication and livelihoods for the poor; 32 per cent to governance; and 21 per cent to the environment. The Administrator has directed that UNDP pay closer attention to mainstreaming gender in all UNDP activities to promote gender equality and has also increased commitment of resources (up to 20 per cent of total) to this end.

THEMATIC DISTRIBUTION OF UNRESTRICTED RESOURCES (1994-1995)



6. Catalytic instruments (see annex III for country examples) helped to sharpen the focus of various national anti-poverty strategies and plans in about 80 countries through: (a) national human development reports (NHDRs) - over 50 countries had NHDRs in 1996 (see annex IV), almost half of which are in the Europe and Commonwealth of Independent States region, and about 100 are planning to have them by the end of 1997; (b) the Poverty Strategy Initiative - in over 60 countries (annex V); (c) continued capacity-development assistance tailored to national priorities; and (d) intensified collaboration at the country level in United Nations system-coordinated analysis and programmes. These catalytic actions were aimed at supporting efforts of programme countries at the policy level by: (a) building capacity in national policy and statistical units and think-tanks; (b) mobilizing partnerships for policy-making; (c) enhancing the capacity of decision-makers to monitor progress towards SHD; (d) fostering nationally owned, country-specific poverty eradication strategies; and (e) preparing advisory notes and CCFs. These instruments made greater use of national expertise and facilitated information-sharing of analytic processes through workshops.

7. Greater synergy was sought with UNDP-administered funds and programmes including: (a) the United Nations Capital Development Fund (UNCDF) with its new focus on poverty eradication; (b) the United Nations Volunteers Programme (UNV) and its work at the grass-roots level; and (c) the Special Unit for Technical Cooperation Among Developing Countries (SU/TCDC), which is creating information networks for trade and privatization (e.g., Eastern Europe, the Commonwealth of Independent States and Latin America) and paying greater attention to the needs of small island states. Links with other funds such as the Global Environment Fund (GEF) and the Montreal Protocol are referred to in paragraph 12.

8. Substantive actions in 1996 to sharpen focus included: (a) targeting poverty as the theme for the Human Development Report 1997; (b) strengthening policy analysis on the complex links between economic policy decisions and poverty eradication; (c) linking regional and national expertise and think-tanks for greater capacity utilization; (d) using information and knowledge-based networks as a development resource to disseminate guidelines and technical support papers, between countries and within UNDP - by the end of 1996, 61 country offices had full Internet linkages (20 in 1995) and 31 country offices had home pages (3 in 1995); and (e) undertaking work to sharpen the UNDP focus on capacity-development assistance with special funding provided by the Government of Denmark for three countries, following the recommendations of the 1996 "Assessment of UNDP" (sponsored by the Governments of Denmark, India, Sweden and the United Kingdom).

9. It is widely acknowledged that poverty is multidimensional and country-specific: the constraints on eradicating it exist at the conceptual, analytical and operational levels. Sharpening the UNDP focus on poverty eradication involves (as indicated by the 1996 review of advisory notes and CCFs) finding appropriate SHD entry points in varying country situations and continual improvement of methodologies for analysis and response. In many countries, the integration of diverse institutions and technical resources to focus on poverty eradication - an intersectoral problem - is a continuing challenge. As Capacity 21 assistance shows, nationally owned analysis and learning by doing are vital, but involving the poor in the design of strategies to improve their wellbeing implies investment in time. A first set of training packages and guidelines for poverty situation analyses issued in 1996 are being reviewed and refined based on country experience.

10. Strategic actions to be taken include: (a) the continuation of ongoing work on sharpening the focus on poverty eradication, taking into account the specificity of programme countries; (b) completion of work under the 1996-1997 Plan e.g., the compilation and sharing of best practices through modern information networks; (c) closer collaboration with other United Nations agencies, notably in the context of the United Nations Children's Fund (UNICEF), UNDP and the World Bank task force, on poverty indicators; and (d) the development of actions specified by the change management exercise, "UNDP 2001".

B. SHD focus areas and poverty eradication

11. In accordance with its commitment to gender equality and through systematic monitoring and review, UNDP paid closer attention in 1996 to integrating gender issues into all its advocacy and support to programme countries. Achievements in 1996 included: (a) targeting increased resources to gender equality; (b) strengthening country office capacity (by field advisers, training, technical documents and reviewing the experience of 20 country offices); (c) developing gender-sensitive indicators for analysis and performance measurement; (d) strengthening partnerships within the United Nations system and the Development Assistance Committee of the Organisation for Economic Cooperation and Development (OECD/DAC) and non-governmental organizations (NGOs) globally in the follow-up to the 1995 Fourth World Conference on Women, held in Beijing. Constraints included: (a) the need to recognize the complexity of gender-mainstreaming in developing and applying methodologies; (b) the inadequate integration of gender concerns into programme design; and (c) the need to support programme countries in their development of models of good practices. Actions to be taken in 1997 include: (a) improving methodologies incorporating gender-situation analysis, including the valuation of women's labour; (b) inter-agency task force consultations on the follow-up to Beijing, using the UNDP analysis of lessons learned on gender mainstreaming; (c) continued support to country offices through training; and (d) developing training packages for programme countries to respond to different country situations. In parallel action, the United Nations Development Fund for Women

(UNIFEM) is focusing on strategic interventions and a new information management system.

12. In focusing environment and poverty concerns, UNDP identified target areas of: (a) sustainable agriculture and food security; (b) water resources and the aquatic environment; (c) energy needs of the poor; and (d) forest management. Achievements in 1996 included: (a) supporting, through the Office to Combat Desertification and Drought (UNSO) and in collaboration with partners, 43 countries to help implement the International Convention to Combat Desertification; (b) launching the Initiative for Sustainable Energy to analyse energy-poverty linkages and new technologies useful to the poor; (c) using Capacity 21 to help Governments to integrate environment and poverty concerns into national development plans. This included decentralized planning in Bolivia and Costa Rica; (d) implementing the Montreal Protocol agreements affecting 490 activities in 49 countries, including 287 investment projects to help eliminate CFCs and ozone depleting substances in collaboration with the private sector; (e) securing GEF Council approval for 31 new projects ($47 million) for priority human and environmental needs; (f) supporting international policy dialogue and national capacity development in forestry; and (g) promoting new public-private partnerships and linking governments, consumers and businesses in joint action to protect the environment (e.g., the Philippine Council for Sustainable Development). Following the Stockholm Water Symposium, UNDP worked with others to launch the Global Water Partnership to manage fresh water resources.

13. An enabling environment is vital for sustaining human development efforts. The main programme record (DP/1991/16/Add.1) demonstrates the increasing focus of UNDP on capacity development for governance through: support for governing institutions; the reform of public sector; decentralization; and links to civil society organizations (CSOs). Annex VI of the present document provides examples. Capacity-building for aid coordination is also emphasized through collaboration with the United Nations system and country-level partners in development cooperation. Key achievements in 1996 included: (a) national programmes to support governance institutions, decentralization, including global programmes such as the Local Initiative Facility for Urban Environment - $11 million, including bilateral cost-sharing from three bilateral donors; and public-private sector management; (b) support to countries for the Habitat II Conference (a $15 million urban management programme with other donors); (c) the cross-fertilization of governance experience through national networks linked to a home page on the World Wide Web (MAGNET); (d) a UNDP internal policy document entitled Governance for Sustainable Human Development; (e) guidelines on reform processes and capacity development, e.g., capacity assessment guidelines and computerized project design assistance (CAPBUILD); and (f) training materials, best practice studies, examples of national capacity development policies and programmes. Country and regional programmes also attracted funds from multilateral and bilateral donors for support in this area.

14. UNDP achievements since 1994 in SHD focus areas illustrate comparative advantages deriving mainly from: (a) using its network of country offices to share wide-ranging, impartial and relevant, best practices; (b) brokering capacity-building activities for good governance - critical to poverty eradication in countries in economic and political transition; and (c) ensuring national ownership and sustainability. Constraints identified included: (a) the complex nature of SHD; (b) the diversity of countries; and (c) the difficulty of integrating multidisciplinary approaches to SHD. Actions to be taken include: continued work on integrated entry points for SHD, sharing of experiences and learning from centres of experimentation. In addition, UNDP will work with other United Nations entities in areas affecting the poor such as HIV/AIDS and malaria. This will also include analysis and networking of best practices.

C. Participation, civil society, the private sector

15. A participatory civil society complements efforts to improve governance. By strengthening its cooperation with civil society and the private sector, UNDP fosters national ownership and sustainability of poverty eradication strategies and programmes. UNDP main achievements in 1996 included: (a) the involvement of CSOs in reviewing advisory notes, which is now mandatory practice; (b) work on new execution modalities involving NGOs and the private-sector and the revision of relevant financial rules; (c) new ventures in micro-credit (e.g., MicroStart was launched at the Micro-Credit Summit in Washington D.C., in February 1997); and (d) the expansion of UNDP small-grant initiatives. These efforts still require: (a) greater involvement of civil society in the preparation of situation analyses and other programming processes; (b) stronger links with international NGOs and capacity-building for national NGOs; (c) greater attention to the sustainability of partnerships; and (d) enhanced internal mechanisms for information-sharing on collaboration with CSOs.

16. Private sector links were strengthened in 1996 through the UNDP-supported "Money Matters" Initiative, by which global and regional meetings aim to reinforce public-private partnerships for development cooperation. Executive Board briefings were held in 1996 on the private sector-development nexus. Partnerships were forged with the Guinness and Hewlett Packard companies.

D. New programming arrangements, oversight and delivery

17. In its decision 95/23, the Executive Board changed UNDP programming procedures to provide flexibility in assigning resources and incentives for more focused programmes with higher leverage. Implementation of the new programming arrangements involved a review of all guidelines and oversight modalities. This review resulted in: (a) new programming guidelines; (b) the start-up of work on streamlined programming instruments (including national execution and the programme approach); and (c) a programming manual in electronic form.

18. Greater programming authority has been given to country offices, with regional bureaux being responsible for quality oversight. Decision 96/31 has enabled further simplification, standardization and decentralization of agency support cost arrangements. Of the $180 million available from support for policy and programme development, support for technical services as well as administrative and operational services, 90 per cent is managed by country offices, whose task is to focus these resources on SHD in collaboration with national partners, the United Nations specialized agencies and regional commissions.

19. Tighter programme oversight modalities introduced in 1996 included the new PMOC and a strengthened Project Appraisal Committee (PAC) system at headquarters and country level. The PMOC reviews advisory notes and CCFs to ensure quality control of the new programming arrangements and has a system for sharing replicable practices and for monitoring programmes in conjunction with annual budget revisions. In 1997 it aims to improve: (a) the quality and speed of programme delivery; (b) compliance with evaluation requirements; and (c) accountability within a more decentralized programme approval process. Criteria for random sampling of programme impact will be developed and applied in 1997. The Integrated Financial Information Management (FIM) system is to be applied by all country offices to improve programme resource management and to adjust to the new programming arrangements. The FIM programme budget management module will be functional by the end of 1997, to be followed by the transaction (expenditure) module.

20. At the end of 1995, the Administrator expressed concern at the build-up of liquid core resources and a slowdown in programme planning and approval for 1996 and future years. He called for increased programming momentum in 1996 and 1997 to ensure the full utilization of available programmable resources and to lay

the foundation for the 1997-1999 programming period. Internal and external factors explaining the slowdown in delivery were dealt with at the third regular session 1996 (DP/1996/CRP.19) and in the statement by the Associate Administrator at the first regular session 1997.

21. The following measures have been taken to improve programme delivery: (a) following regional reviews, 16 large, underprogrammed countries were targeted for diagnosis; (b) a special delivery task force was established to monitor delivery against 1997-1999 expenditure targets; (c) under the target for resource assignment from the core (TRAC) lines the Administrator released resources of about $1.4 billion as "advance authorizations"; (d) the Administrator allocated $2 million from his contingency reserve for a delivery support facility to increase 1997-1999 programme quality, commitment and delivery; (e) the regional bureaux and the resident representatives were urged to give top priority to delivery with full attention to quality; and (f) the Executive Committee was briefed regularly on progress. Special attention is given to restoring 1997 programme approvals to acceptable levels. A report on 1997-1999 delivery will be made at the third regular session 1997.

E. Development approaches for SHD

22. Two important SHD approaches through capacity development and resource mobilization are national execution and the programme approach. In line with General Assembly resolution 47/199, national execution accounted for 79 per cent of all project budgets in 1996 and, in line with the 1995 evaluation findings, is helping to build greater self-reliance, stronger national ownership and greater cost-effectiveness in programme countries. Most of the advisory notes and CCFs completed in 1996 contained commitments to apply national execution. UNDP has responded to the constraints identified in the 1995 evaluation and in the report of the Board of Auditors for 1994-1995 (A/51/5/Add.1, Supplement No. 5A) by: (a) revising guidelines on responsibilities and accountability; (b) presenting its evaluation strategy for national execution; and (c) improving monitoring of the contribution of national execution to poverty eradication and SHD. The purpose of document DP/1997/CRP.8, submitted to the Executive Board in March 1997 at its second regular session, was to review experience, identify the lessons learned and specify measures taken to strengthen accountability, to simplify procedures, to support capacity assessments and to clarify audit, evaluation and monitoring roles. It also anticipated developing a new conceptual framework to improve execution. The Administrator gives priority to taking actions proposed in the document and to reviewing progress through the accountability framework.

23. Although more countries are adopting the programme approach, constraints identified in the UNDP 1996 internal assessment included: (a) a lack of clarity and training in the subject; (b) the complexity of the instrument, including procedures for financial management; (c) a lack of guidance on how Governments should evaluate their own programmes and conduct capacity assessments in the public sector and civil society; (d) the need to harmonize procedures of donors at country level. Generally, applying the programme approach involves national execution with associated costs and benefits. Action in 1996 included: (a) preparing a training module in different languages; (b) simplifying and harmonizing the instrument with the new programming arrangements; (c) completing a user's guide with suitable software; (d) planning a donor consultation on procedural harmonization; (e) preparing for a 1997 evaluation of the revised procedures. The evaluation will identify best practices to be widely shared.

F. Strengthening country offices

24. Supporting diverse national SHD efforts, implementing the new programming arrangements, mobilizing resources and strengthening collaboration with the United Nations system and other stakeholders call for strengthened capacity at the country-office level. To this end, the resident representatives worked in

partnership throughout 1996 with all relevant headquarters units, particularly with (a) the regional bureaux, which provided the supporting management framework, advice, training and, together with the Office of Human Resources (OHR), assistance in matching core competencies with country office needs and (b) the Bureau for Policy and Programme Support (BPPS), which supplied analytical tools, developed in consultation with country offices, global studies and methodological guidance. Operational coherence at country-level with the UNDP-administrated funds and programmes was also actively sought. Details of collaboration with the United Nations system are provided in section II.G. Specific examples in line with UNDP Plan objectives included: (a) using specialist staff matched to national needs (advisers in gender, HIV/AIDS, capacity-building in governance and sustainable development and national and international economists); (b) increasing the use of training and problem-oriented regional workshops, using a manual on poverty eradication produced in 1996 by UNDP; (c) starting systematic triennial reviews of country office performance and needs; and (d) introducing more efficient measures for local recruitment, communication, budgeting and automation.

25. The eight country offices that are "centres of experimentation" explored the use of more impact-oriented and cost-effective techniques. Constraints on country office capacity, identified through a process of consultation, led by resident representatives and the change management exercise, included: (a) the need for more accessible substantive technical support; (b) the tendency for a top-down approach to operational management; (c) lack of systematic information collection, analysis and dissemination; and (d) time-consuming procedures. Measures are in place to decentralize decision-making further and to locate staff support systems closer to country offices (See DP/1997/16/Add.7).

G. UNDP within the United Nations system

26. The second UNDP organizational goal contained in decision 94/14 is to play a more active and integrative role within the United Nations development system. UNDP is meeting this organizational goal by fully integrating operational support into its line functions. To complement the following paragraphs, the report to the Economic and Social Council (DP/1997/15) provides more detailed analysis, including that on support to the management process developed by the United Nations to ensure implementation of General Assembly resolution 50/120.

27. The most visible UNDP commitment in 1996 to the success of the United Nations was its financial and human resources support to the resident coordinator function. Six per cent of core resources and 50 per cent of the resident representatives' time were dedicated to strengthening UNDP support to the resident coordinator system and to the participation of UNDP in efforts to improve United Nations system policy coherence and coordination. It has been estimated that UNDP direct and indirect support to the resident coordinator system is in the magnitude of $100 million per annum.

28. Additionally, UNDP has moved to strengthen the resident coordinator system by: (a) providing operational funding (estimated $8 million) for resident coordinator work per se in 1996 thus dovetailing with the new arrangement approved by the Executive Board for 1997-1999; (b) providing special funds under TRAC 1.1.3 of the successor programming arrangements to support the work of resident coordinators in responding to sudden crisis, or for developing holistic strategic frameworks for planning in crisis-related situations; (c) expanding training programmes in 1996 with the United Nations Staff College in Turin to cover 69 per cent of all incumbent resident coordinators; (d) establishing a network to share best practices among resident coordinators; (e) helping to improve the format of the annual report of the resident coordinator; (f) ensuring that the number of resident coordinators with experience in the United Nations and the specialized agencies increased to almost half; and (g) ensuring policy coherence and coordination at both headquarters and country levels through the responsibilities assigned to the Administrator by the United

Nations Secretary-General. UNDP has sought to move the focus of coordination beyond information-sharing to goal-oriented collaboration by supporting the Administrative Committee on Coordination (ACC) initiatives on follow-up to major conferences and on Africa (DP/1997/16/Add.2).

29. Country-level achievements include: supporting the preparation of country strategy notes (CSNs) and harmonizing programme cycles with those of other United Nations funds and programmes (26 countries, an additional 54 planned by the end of 1999). Common premises for United Nations organizations will exist in 52 countries by the end of 1997. Greater use is made of common services. UNDP has assumed responsibility at the country level for integrating the ACC-endorsed themes as follow-up to United Nations conferences, into national poverty eradication action plans.

30. Developing complementarity with the Bretton Woods institutions: in 1996, a new agreement was signed on aid coordination between UNDP and the World Bank that defines (a) the respective roles of the World Bank and UNDP in the Consultative Group and round-table aid coordination mechanisms; (b) country-based coordination; and (c) cooperation in post-conflict situations. UNDP is working with the World Bank on the "Partnership for Capacity-Building in Africa". The World Bank is working with UNDP and other specialized agencies in providing United Nations system-wide support to the "United Nations System-wide Special Initiative for Africa" (see DP/1997/16/Add.2). A letter of cooperation between UNDP and the International Monetary Fund (IMF) was signed in 1996 to enhance collaboration between the two organizations. UNDP forged new partnerships with other international organizations and United Nations agencies such as: new agreements with the Food and Agriculture Organization of the United Nations (FAO), the Global Environment Facility (GEF), the International Office of Migration (IOM), the Office of the United Nations High Commissioner for Refugees (UNHCR), and the United Nations Environmental Programme (UNEP); and greater collaboration with regional economic commissions and development banks. The United Nations Joint and Co-sponsored Programme on HIV/AIDS (UNAIDS) was created as a new inter-agency structure working through the resident coordinator system at country level: 96 countries had United Nations HIV/AIDS groups by the end of 1996. UNDP focuses on building national capacity to tackle developmental aspects of HIV/AIDS.

H. UNDP in countries in crisis and special circumstances

31. In countries in crisis and special circumstances, UNDP is seeking to be an effective development partner, working in close collaboration with the Department of Humanitarian Affairs (DHA) which coordinates humanitarian activities. In bridging "relief and development", UNDP also works closely with UNHCR, UNICEF the World Food Programme (WFP). There is a growing understanding that development does not cease during emergencies. If relief efforts are to contribute to lasting solutions, SHD must continue to be vigorously supported, complementing emergency action with new curative initiatives that can help to prevent a relapse into crisis. UNDP concentrates its efforts in the following main areas: (a) support to emergency interventions; (b) programming for peace and recovery; (c) area rehabilitation to resettle uprooted populations; (d) reintegrating demobilized soldiers; (e) de-mining operations; (f) rebuilding institutions and improving governance; (g) organizing national elections; and (h) managing the delivery of programme aid. A total of $36.6 million under TRAC line 1.1.3 went to 32 interventions for 1996-1997.

32. Details of complementarity of efforts by UNDP and the rest of the United Nations system were presented to the Executive Board at its second regular session 1997 (DP/1997/CRP.10). In close collaboration with the countries concerned and with partners in the United Nations system, particular achievements in 1996 included launching 20 new special development initiatives on: demobilization and reintegration in Angola and Mali; mine action in Cambodia and the Lao People's Democratic Republic; election support in Cambodia

and Haiti; area rehabilitation (usually in return zones of the displaced) in Afghanistan, Azerbaijan, Bosnia and Herzegovina, Democratic People's Republic of Korea, Djibouti, Georgia and Guatemala as well as in Central America and Palestine; socio-economic rehabilitation in Lebanon; government capacity-building for programme planning and monitoring in Rwanda; peace-building in El Salvador; and post-hurricane reconstruction in Costa Rica and Nicaragua. A multidisciplinary United Nations system mission led by UNDP in Bosnia and Herzegovina in March 1996 assisted governmental structures recognized by the Dayton Agreement to design a $110 million programme for reconstruction, governance and transition to a market economy.

33. New operational guidelines and models were produced for supporting country offices in preventive and curative development. The Disaster Management Training Programme was extended. Criteria were set for allocating 15 emergency posts where they were most needed around the globe. New understandings needed to bridge relief and development were fostered with the World Bank, UNHCR and IOM. The principles of an inter-agency post-crisis recovery strategy were endorsed by the Consultative Committee on Programme and Operational Questions (CCPOQ), including new strategic frameworks for all United Nations activities. A strategic framework for recovery is foreseen as an evolving consensus on an overall plan for United Nations, other multilateral and bilateral activities, especially as the unifying element between different fundraising and planning mechanisms. It can be of unique value in bringing relief and development planning mechanisms together in a common vision, based on sound analysis. The first such strategic framework was developed in Rwanda.

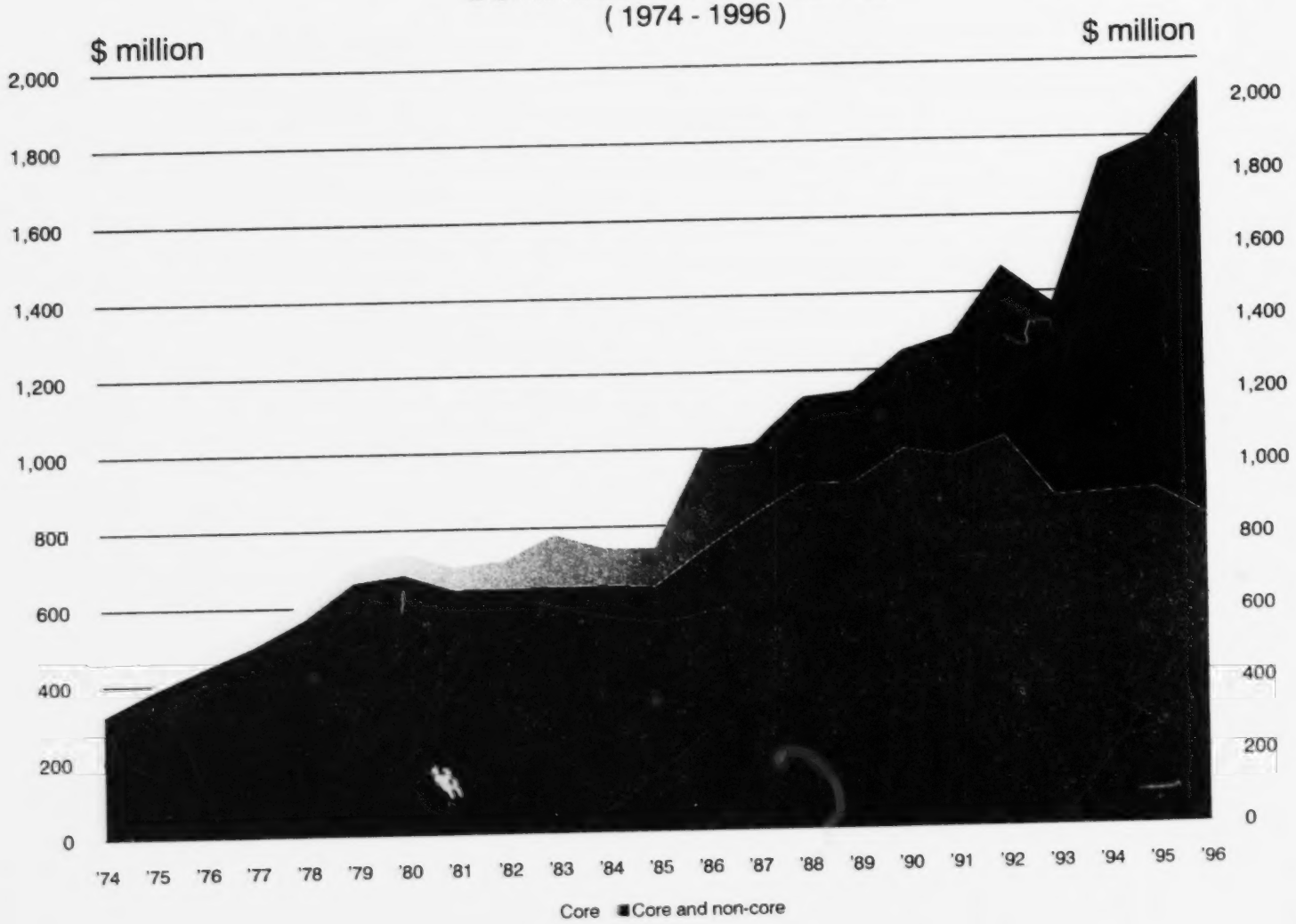
34. UNDP and DHA jointly proposed and are experimenting with an expanded consolidated appeal process aimed at bridging the gap between relief and development. Once the Inter-Agency Standing Committee (IASC) and other forums have endorsed the mechanism, and where circumstances permit, the expanded inter-agency appeal will consist of a Part I, prepared under the humanitarian coordinator function and a complementary Part II, prepared under the resident coordinator function. Part I will focus on emergency relief assistance as well as the demobilization process and the initial phase of reintegration of internally displaced persons (IDPs) and refugees, much the same as the traditional appeal. Part II will focus on longer-term needs for: rehabilitation and reintegration of demobilized soldiers, IDPs and refugees; governance issues related to elections, judicial systems, training police, and institution-building; and longer-term reconstruction and development. UNDP is pursuing partnerships with the United Nations relief agencies for the complementary programming of relief and development inputs.

I. Resources

35. Annual contributions to UNDP core resources over the fifth programming cycle fluctuated from a high of $1,177.9 million in 1992 to $903 million in 1995, and $852 million in 1996. Pledges for 1997 indicate that core resources will be slightly above the $852 million level for 1996. Overall resources, core plus non-core, over the same period, grew nonetheless from $1,739.1 million in 1992 to $1,925 million in 1995. The estimate for 1996 is $2,000 million.

Contributions to UNDP a/

(1974 - 1996)



a/ Cost-sharing, trust funds, administered funds

DRM/BREA, February 1997

36. Core resources remain the primary means for impartial and universal multilateral assistance and will continue to be the foundation of the UNDP resource base. However, UNDP traditional and programme country contributors as a group have experienced constraints in expanding core funding. Budgetary restrictions in major traditional donor countries currently appear to place a ceiling on growth in core contributions although the UNDP core, with its focus on SHD and on low-income countries, reflects the aid objectives of those countries. The means of increasing core contributions are therefore twofold: (a) increase UNDP efficiency and transparency to make it more attractive to major donors who may be downsizing their own aid infrastructure; and (b) demonstrate to emerging donors that UNDP target countries for core funding are potential economic partners. The Administrator recognizes the interdependence of core and non-core resources, with increases in one leading to increases in the other, if the overall development cooperation framework is to work.

37. UNDP recognizes the need to demonstrate value for money spent in an increasingly competitive environment. The Executive Board has underlined that the UNDP communication strategy should highlight concrete examples of efficient delivery and programme impact. Achievements in 1996 include: the completion of co-financing guidelines to reflect non-core modalities and to take into account lessons learned from evaluation. Emphasis was placed on individual co-financing strategies by country offices, coordinated by the regional bureaux. Resource mobilization targets were linked to programme delivery and quality in an integrated approach to country office performance measurement.

38. As a promising new avenue for broadening the UNDP financial base, the Executive Board has enabled UNDP to embark on partnerships in development with the private sector. Funding initiatives and guidelines have been prepared for country offices entering into private sector funding partnerships. Continuous monitoring of the future direction of each partnership will be undertaken. Successful round-table meetings led to substantial commitments from donor Governments and multilateral institutions for countries such as Congo ($900 million pledged), Rwanda ($617 million pledged) and Sierra Leone ($231 million pledged). Improving the role of all partners in the follow-up to the round-table meetings has led to an ongoing overhaul of the present procedures.

J. Advocacy and building partnerships

39. UNDP implemented its first communication and advocacy strategy, which aimed to raise public awareness and appreciation of UNDP activities within the larger framework of the United Nations role in development. In 1996, country-level public affairs initiatives gave higher visibility to the United Nations system and UNDP. With $2.4 million allocated to this end: (a) almost all country offices appointed a public affairs officer; (b) more than 100 country offices produced national communication and advocacy strategies; and (c) public affairs training workshops were held for resident representatives, deputy resident representatives and public affairs officers. The workshops were reinforced by a manual in six languages. Efforts culminated in a week-long series of press briefings, seminars, television/radio presentations and other activities centred on the International Day for the Eradication of Poverty (17 October). Anti-poverty initiatives were launched in Fiji, Kyrgyzstan, Malawi, Rwanda, Trinidad and Tobago, and Uzbekistan.

40. The global launch of the Human Development Report 1996, and related national and regional workshops, generated considerable media interest in the theme of economic growth and SHD. At the regional level, 1996 advocacy efforts helped to define the policy commitments of national leaders to SHD in general and poverty eradication in particular. The VI Ibero-American Summit of Presidents and Heads of State in November, for example, facilitated consensus on ten priorities for a Latin American agenda on governance. New advocacy tools

produced during the year included: a series of discussion papers on key development issues; a revamped Choices magazine to promote debate on development; public service television announcements on poverty; and increased use of the Internet (see para. 8). New partnerships were forged or strengthened with parliamentarians, NGOs, CSOs and academic institutions through, for example, multiple conferences, workshops and seminars on SHD in Africa, Europe and North America. More than 60 cities worldwide joined the UNDP National Alliance of Cities Against Poverty. The 1996 Paul Hoffman Lecture on global competitiveness and human development extended the audience to the private sector.

41. Constraints identified in the area of communication included: (a) unclear policy messages in written and oral communications; (b) a media-shy culture in UNDP as a whole; and (c) insufficient financial investment in communication. Recommendations to address these constraints included: (a) identifying promotional messages for SHD to be used by all staff in contacts with the media at seminars and other venues; (b) improving links between the staff working in policy, substantive and operational matters and those in media; (c) encouraging all staff to invest time in developing and communicating clear messages on the role and activities of UNDP; and (d) allocating increased funding from the organizational budget for communication and advocacy efforts. Document DP/1997/17 provides additional information on the communication and advocacy strategy and addresses issues raised in the report of the Administrator on the UNDP information and publication policy (DP/1996/22).

K. Evaluation

42. During 1996, a total of 117 UNDP-funded project evaluations were conducted and recorded in the Central Evaluation Database (CEDAB). Six strategic evaluations and one country programme evaluation were initiated and centrally managed. The six requirements judged most critical to the future success of the overall UNDP programme were: (a) the participation, where directly relevant, of ultimate beneficiaries in the formulation and implementation of activities; (b) realistic programme objectives; (c) baseline data and benchmarks against which to measure progress; (d) the sharing of lessons learned and evaluation findings with programme countries and country offices, in an increasingly decentralizing organization; (e) monitoring and evaluation as instruments of programme improvement as well as instruments of accountability; and (f) further strengthening of compliance, building on progress to date.

43. Measures to strengthen the UNDP evaluation function in 1996 included: (a) closer tracking of evaluation compliance through reporting to the PMOC; (b) an expanded and more systematic approach to disseminating evaluation findings by developing and testing the CEDAB to make it more user-friendly and by using the PMOC and PACs to ensure that lessons learned are applied; (c) building further awareness of, and capacity for, evaluation and use of lessons learned through regional workshops in which government officials participated (e.g., in the Czech Republic and Malaysia); (d) revisiting UNDP guidelines on monitoring and evaluation (to be distributed in 1997); (e) training deputy resident representatives and Junior Professional Officers to strengthen evaluation operationally; and (f) improving ways of assessing performance impact. Collaboration with the United Nations system is reported on in document DP/1997/15.

44. Establishing baselines against which to measure progress in individual SHD projects and programmes will require continuing attention. Evaluations tend to focus on operational process management rather than development impact. The effective utilization of evaluation is dependent on the level of learning demand of the organization. Further strengthening of the evaluation function is critical for programme effectiveness and impact and for UNDP to be more of a learning organization. The Administrator is committed to strengthening the

evaluation function, ensuring its use for programme performance while maintaining its independence. Document DP/1997/16/Add.4 provides details.

L. A leaner, more efficient and more accountable organization

45. Better business practices have been put in place to increase organizational efficiency. A biennial budget strategy for cost reduction, the third of its kind since 1992, was implemented. Over the 1992-1997 period, UNDP reduced its administrative budget in real terms by more than 15 per cent, reducing staff at headquarters by 32 per cent and total regular staff by 15 per cent. With UNFPA and UNICEF, UNDP has worked out a proposal for harmonizing budget presentations to be used in the 1998-1999 budget. The budget strategy for the 1998-1999 biennium will be submitted to the Executive Board at its third regular session 1997.

46. Management of timely and useful information is vital to knowledge-based approaches to development cooperation and to effective administration. Achievements in 1996 included: (a) the implementation of the Integrated Management Information System (IMIS Release I) (b) the Executive Information Management system in prototype in July 1996 with priority components of the Integrated Programme Management (IPM) and IMIS subsystems due for completion in 1997; (c) a prototype for an improved electronic document management system in August 1996 with system development scheduled for 1997; and (d) by the end of 1997 the Financial Information Management (FIM) system, which will provide programme budget information. Building on work started in 1995, action was taken to replace the current e-mail system with an enhanced message and information exchange system by mid-1997. Action was taken in 1996 to upgrade all current systems taking into account (a) expected changes in information technology globally and (b) the need to ensure that UNDP sub-systems under development meet the accountability, administrative and knowledge development needs of UNDP in 2001.

47. The 1996-1999 human resources strategy was launched in 1996 to ensure that UNDP has appropriate skills to meet the wide range of development challenges in the countries it serves. The key elements are: (a) the creation of an effective and professional human resource management organization; (b) implementation of human resource measures sensitive to a more equitable gender-balance in decision-making; (c) increased efficiency of transaction-based services; (d) maintenance of competitive benefits and conditions of service; (e) foundations for continuous learning and learning opportunities for key staff. Special efforts were made in 1996 to deploy staff on a timely basis to countries in difficult situations. A new management development training programme was launched to develop international and national staff. Other actions included: the implementation of phase one of IMIS for the administration of benefits and allowances; the introduction of a new approach to conditions of service for extremely difficult duty stations; and expanded use of the pilot activities of limited duration (ALD) contract. Decentralization of responsibility for business processes was implemented to improve efficiency. A pilot assessment of the performance of resident coordinators and mechanisms for feedback from country-based United Nations agencies was initiated.

48. Successful completion of the 1995-1996 early separation programme brought the staff/post situation close to equilibrium but not so far as to open vacancies - a situation that will constrain human resources management in 1997 until attrition, additional separations and other measures take effect. The gender-balance policy set targets for 1995-1997: the overall target for the end of 1997 of 38:62 (women:men) has already been met. The target for management at the P-5 to D-2 levels is 28:72 (women:men): at the end of 1996 it had reached 24:76. The 20 per cent target for women at the D-1 and D-2 levels was met for the D-2s. By the end of 1996, 22 country offices were headed by female resident representatives - double the number in 1993. The challenge is to provide an environment that recognizes individual talent and contributions and supports

work-family requirements for a geographically mobile staff. The first interactive global staff forum was held in 1996, linking more than 40 country offices in a teleconference with New York staff. Other measures to involve staff included the global staff and management survey in September 1996. UNDP pioneered an electronically accessible database on employment conditions for expatriates in 132 countries where it has offices.

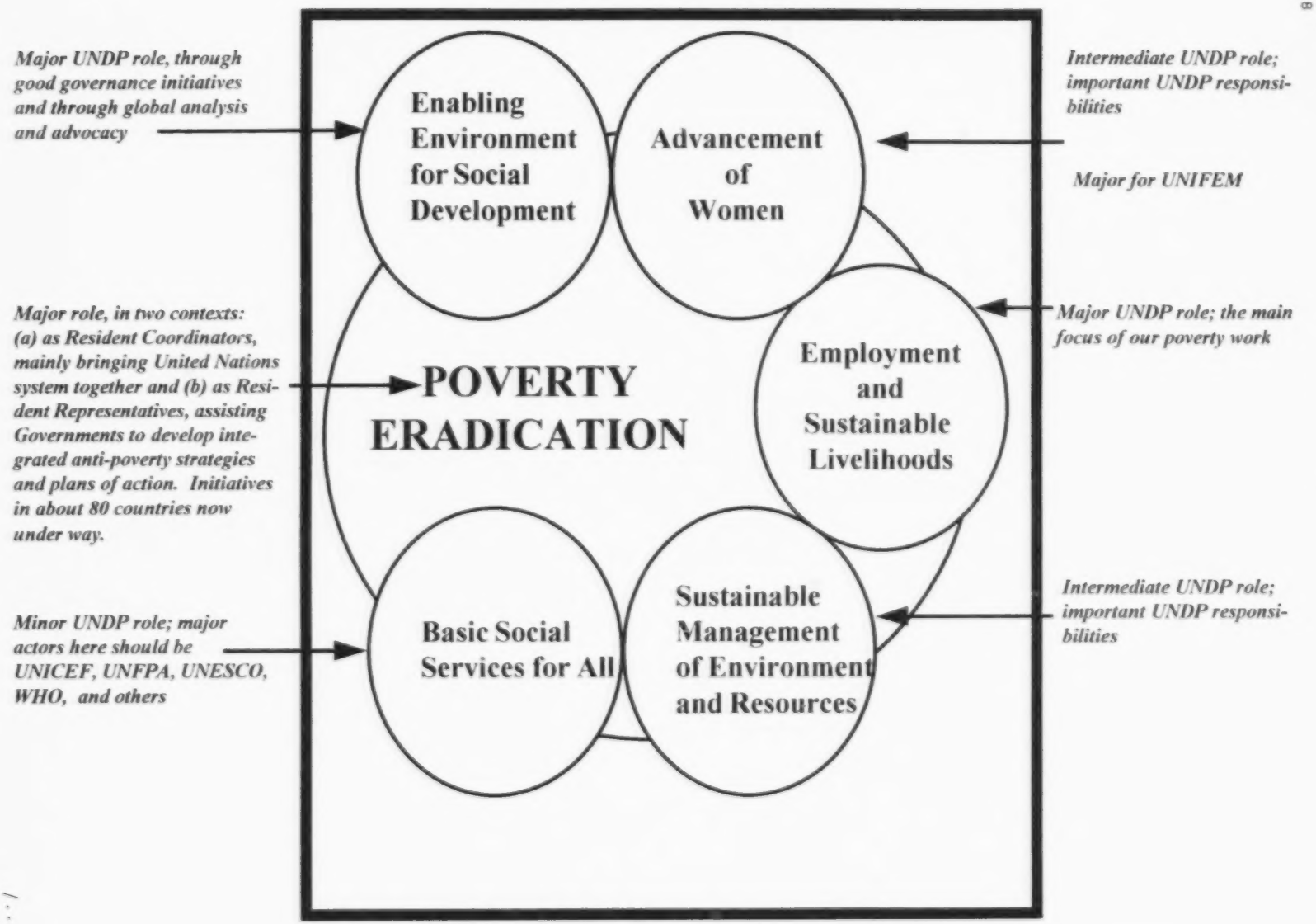
49. Ensuring full accountability for the use of UNDP resources is a top priority. A preventive approach needs to be ingrained that identifies risks, anticipates problems and promotes a working environment in which internal control systems encourage creativity and responsible risk-taking. Such an approach, with conventional audit responsibilities and audit independence, contributes to a sound accountability culture. The Administrator is fully committed to establishing such an accountability culture in UNDP. The investigative capacity of the Division for Audit and Management Reviews continued to be strengthened by implementing the recommendations of the Board of Auditors (A/51/5/Add.1). More vigorous monitoring has improved compliance rates (from 52 per cent (1995) to 61 per cent in 1996 with a target of 70 per cent in 1997) as well as the quality of audits of national execution projects. More intensive use of international accounting firms was made to extend the coverage of audits. Follow-up was strengthened through a database to track implementation of audit recommendations. The Management Review and Oversight Committee (MROC) was established to provide the Administrator and the Executive Board with assurance that the UNDP accountability framework functions effectively. The membership includes the Under-Secretary-General, Office for Internal Oversight Services. The new UNDP ex-post accountability framework, for implementation in 1997, defines standards for individual and managerial responsibility and norms for staff behaviour (see document DP/1997/16/Add.6 for details).

III. UNDP 2001

50. In response to legislation for change, UNDP launched a comprehensive set of reforms in 1994 to redefine its mission, priorities and focus. In 1995, an intensive and participatory process began to accelerate reforms to strengthen UNDP capacity as an effective partner in development cooperation and within the United Nations. Demonstrable response since 1994 to legislation included: (a) targeting assistance to four priority development needs; (b) allocating programme resources based on incentives and performance; (c) supporting coordination within the United Nations system, globally and locally; (d) mobilizing resources for SHD; (e) operating with a leaner, more accountable management. Intensification of the change process since May 1996 has identified three defining characteristics for UNDP in the future. They are: (a) providing high-quality development services, quickly and responsively to meet the SHD needs of programme countries; (b) making a difference to the poor through effectiveness and impact; and (c) building the essential structure and infrastructure for efficiency, accountability and good management. Further consultations with the Executive Board, in addition to those at the third regular session 1996 and the first regular session 1997, were planned before the 1997 annual session. In document DP/1997/16/Add.7, the Administrator presents a package of reforms, on which further information will provided in subsequent conference room papers. UNDP is committed to improving its performance as a development partner; the change management process is one important step in that direction.

ANNEXES

Annex I: UNDP Areas of Focus


Major UNDP role, through good governance initiatives and through global analysis and advocacy
Enabling Environment for Social Development
Advancement of Women
Intermediate UNDP role; important UNDP responsibilities
Major for UNIFEM
Major role, in two contexts: (a) as Resident Coordinators, mainly bringing United Nations system together and (b) as Resident Representatives, assisting Governments to develop integrated anti-poverty strategies and plans of action. Initiatives in about 80 countries now under way.
POVERTY ERADICATION
Employment and Sustainable Livelihoods
Major UNDP role; the main focus of our poverty work
Minor UNDP role; major actors here should be UNICEF, UNFPA, UNESCO, WHO, and others
Basic Social Services for All
Sustainable Management of Environment and Resources
Intermediate UNDP role; important UNDP responsibilities

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Annex II

UNDP PLAN 1996-1997
FIVE KEY OPERATIONAL OBJECTIVES

- To support programme countries in their efforts to achieve sustainable human development (SHD) and to strengthen country offices and headquarters to this end

- To implement the new programming arrangements efficiently and to ensure enhanced delivery

- To play an effective advocacy role, build constituencies and mobilize resources for SHD

- To strengthen UNDP partnerships in the United Nations system and elsewhere and to enhance UNDP performance in countries in crisis and other special circumstances

- To build a leaner, more accountable learning organization

Note: The principles on which the Plan is based include fidelity to the three goals of UNDP, as set out in Executive Board decision 94/14 and to the programme mandate of the organization as revised in decision 95/22. These goals require that UNDP establish its global competence in SHD; strengthen its performance as a force for SHD within the United Nations system; and support country-driven and country-owned programmes in SHD that give poverty eradication top priority.

Source: UNDP Plan 1996-1997

Annex III

FOLLOW-UP TO THE WORLD SUMMIT FOR SOCIAL DEVELOPMENT (WSSD) COUNTRY EXAMPLES

National human development reports. UNDP country offices increasingly supported the production of NHDRs to complement the global Human Development Report. In 1996, over 50 countries had NHDRs; by the end of 1997 it is estimated that over 100 countries will have them. Country examples of NHDRs usefulness: for good internal policy dialogue (e.g., Togo); for policy-making (e.g., Eastern Europe and the Commonwealth of Independent States); for advocacy to mobilize constituencies (e.g., Jordan and Lebanon); for monitoring national progress towards sustainable human development (e.g., Eastern European and the Commonwealth of Independent States countries). Increasingly useful are subnational NHDRs (e.g., Brazil, Egypt and India) and periodic NHDRs (e.g., Bangladesh). Capacity development in poverty eradication and sustainable livelihoods in over 80 countries ranged from the new Poverty Strategy Initiative being implemented in over sixty countries leading to the restructuring of public expenditure (e.g., Burkina Faso); the development of policy frameworks for poverty eradication (e.g., Botswana); the production of official poverty profiles (e.g., the Lao People's Democratic Republic); and monitoring of the impact of economic reform on vulnerable groups (e.g., Mongolia), to capacity-building for economic management (36 countries in Africa) and the design and implementation of national poverty reduction programmes (e.g., China, India, Mongolia, and 23 African countries); to financing for micro-enterprises, including the MicroStart project initiated in 1996 to develop vibrant private sectors. These initiatives also enabled poor communities to gain access to assets through social mobilization (e.g., the subregional South Asia programme); and to develop skills and enhance the productivity of the poor (e.g., Argentina and Bolivia). Examples of creating capacity for good governance in diverse environments include the Special Initiative for Governance in Africa and replicable national ombudsman programmes (e.g., El Salvador, Guatemala and Lithuania). Innovative approaches for creating sustainable livelihoods by enabling the poor to apply science and technology e.g., to generate income through improved techniques for rural production e.g., Bhutan; and expand economic opportunities for women through a network of scientists e.g., in the Asia and the Pacific region.

Annex IV

COUNTRIES WITH NATIONAL HUMAN DEVELOPMENT REPORTS

AFRICA REGION

COUNTRY	1996
ANGOLA	
BENIN	X
BOTSWANA	X
BURKINA FASO	
BURUNDI	
CAMEROON	X
CAPE VERDE	
CENTRAL AFRICAN REPUBLIC	X
CHAD	
COMOROS	
CONGO	
CÔTE D'IVOIRE	
EQUATORIAL GUINEA	
ERITREA	
ETHIOPIA	
GABON	
GAMBIA	
GHANA	X
GUINEA	
GUINEA-BISSAU	
KENYA	
LESOTHO	
LIBERIA	
MADAGASCAR	
MALAWI	
MALI	X
MAURITANIA	X
MAURITIUS	
MOZAMBIQUE	
NAMIBIA	X
NIGER	
NIGERIA	
RWANDA	
SAO TOME AND PRINCIPE	
SENEGAL	
SIERRA LEONE	X
SOUTH AFRICA	
SWAZILAND	
TOGO	X
UGANDA	X
UNITED REPUBLIC OF TANZANIA	
ZAIRE	
ZAMBIA	
ZIMBABWE	

Annex IV (continued)

ASIA AND THE PACIFIC REGION

COUNTRY	1996
AFGHANISTAN	
BANGLADESH	X
BHUTAN	X
CAMBODIA	
CHINA	
DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA	
FIJI	
INDIA	X
INDONESIA	
IRAN (ISLAMIC REPUBLIC OF)	
LAO PEOPLE'S DEMOCRATIC REPUBLIC	
MALAYSIA	
MALDIVES	
MONGOLIA	
MYANMAR	
NEPAL	
PAKISTAN	
PAPUA NEW GUINEA	X
PHILIPPINES	X
REPUBLIC OF KOREA	
SAMOA	
SRI LANKA	
THAILAND	
VIET NAM	
SUBREGIONAL PACIFIC	X

Annex IV (continued)

ARAB STATES REGION

COUNTRY	1996
ALGERIA	
BAHRAIN	
DJIBOUTI	
EGYPT	X
IRAQ	X
JORDAN	
KUWAIT	
LEBANON	
LIBYAN ARAB JAMAHIRIYA	
MOROCCO	
QATAR	
SAUDI ARABIA	
SOMALIA	
SUDAN	
SYRIAN ARAB REPUBLIC	
TUNISIA	
UNITED ARAB EMIRATES	
YEMEN	

Annex IV (continued)

LATIN AMERICA AND THE CARIBBEAN REGION

COUNTRY	1996
ANGUILLA	
ANTIGUA AND BARBUDA	
ARGENTINA	X
ARUBA	
BAHAMAS	
BARBADOS	
BELIZE	
BERMUDA	
BOLIVIA	X
BRAZIL	X
BRITISH VIRGIN ISLANDS	
CAYMAN ISLANDS	
CHILE	X
COLOMBIA	
COSTA RICA	X
CUBA	
DOMINICAN REPUBLIC	
ECUADOR	
EL SALVADOR	
GUATEMALA	
GUYANA	X
HAITI	
HONDURAS	
JAMAICA	
MEXICO	
MONSERRAT	
NETHERLANDS ANTILLES	
NICARAGUA	
PANAMA	
PARAGUAY	X
PERU	
SAINT KITTS AND NEVIS	
SAINT LUCIA	
SAINT VINCENT AND THE GRENADINES	
SURINAME	
TRINIDAD AND TOBAGO	X
TURKS AND CAICOS ISLANDS	
URUGUAY	
VENEZUELA	X

Annex IV (continued)

EUROPE AND THE COMMONWEALTH OF INDEPENDENT STATES

COUNTRY	1996
ALBANIA	X
ARMENIA	X
AZERBAIJAN	X
BOSNIA AND HERZEGOVINA	
BULGARIA	X
CROATIA	
CYPRUS	
CZECH REPUBLIC	X
HUNGARY	X
KAZAKSTAN	X
KYRGYZSTAN	X
LITHUANIA	X
MALTA	X
POLAND	X
REPUBLIC OF BELARUS	X
REPUBLIC OF ESTONIA	X
REPUBLIC OF GEORGIA	X
REPUBLIC OF LATVIA	X
REPUBLIC OF MOLDOVA	X
ROMANIA	X
RUSSIAN FEDERATION	X
SLOVAK REPUBLIC	X
TAJIKISTAN	X
TURKEY	X
TURKMENISTAN	X
UKRAINE	X
UZBEKISTAN	X
YUGOSLAVIA	X

Annex V

POVERTY STRATEGY INITIATIVE (PSI)

Launched in the aftermath of the 1995 World Social Summit on Social Development, the Poverty Strategies Initiative is currently being offered in over 60 countries, in which it is helping to:

- Raise public awareness of the extent, distribution and causes of poverty;
- Create political space for a debate on national development priorities;
- Strengthen the capacity of government agencies and civil society to gather, analyse and monitor social indicators and to review public policies, budgets and programmes that impact on people's well-being;
- Improve coordination among agencies dealing with social and economic policy; and
- Build a consensus among public, private and civil society actors on the most effective means to tackle poverty in their country.

Almost half of the projects originated in low-income countries, and about 40 per cent in least developed countries. In terms of human development, more than 40 per cent of the proposals have come from countries with low human development status, with a further 50 per cent belonging to the medium human development category. A large number of projects are assisting national partners to assess the magnitude and distribution of poverty nationwide, through support to household surveys, poverty assessments, national human development reports and other mapping exercises. Emphasis is placed on supplementing income and expenditure data with more qualitative indicators of poverty and well-being, gathering and analysing data disaggregated down to the district or provincial level, and strengthening national and subnational capacities for poverty mapping and measurement.

In 71 countries, support is being given to the improvement of in-country capacity for poverty monitoring and analysis on an ongoing basis, for example through the establishment of national poverty monitoring systems that will assist in developing policies by providing systematic information on social indicators and poverty trends. Support to institutional and policy review is another major area of focus of the Initiative. PSI projects are helping to assess the impact of economic reform and adjustment policies on poor and vulnerable groups, of future trends in the labour market, and of existing mechanisms for social service delivery. The strengthening of social safety nets and support to microfinance and to small and micro-enterprises figure prominently in a number of country projects. Work on basic social services is picking up with the recent $3 million contribution from the Government of Norway for support to the conclusion and implementation of 20/20 agreements. UNDP support is also helping to open up political space for a debate on development policies and priorities, especially the interplay of growth, poverty and distribution issues. PSI projects facilitate broad discussions involving government officials, private sector leaders, civil society and experts, which serve as a springboard for reaching wide consensus on the main pillars of a national strategy for poverty reduction.

LIST OF APPROVED PSI PROJECTS, BY COUNTRY
ACCORDING TO HUMAN DEVELOPMENT LEVEL

Low human development	Medium human development	High human development
Afghanistan	Armenia	Fiji
Angola	Azerbaijan	Latvia
Bhutan	Botswana	Mexico
Burkina Faso	Bulgaria	Poland
Cambodia	China	Thailand
Central African Republic	Cook Islands	Trinidad and Tobago
Djibouti	Cuba	United Arab
Ethiopia	Dominican Republic	Emirates
Gambia	Gabon	
Ghana	Georgia	
Guinea Bissau	Grenada	
Kenya	Guatemala	
India	Guyana	
Malawi	Honduras	
Mali	Iran (Islamic Republic of)	
Mauritania	Jordan	
Myanmar	Kazakstan	
Nepal	Kyrgyzstan	
Senegal	Lebanon	
Sudan	Lithuania	
Togo	Maldives	
Uganda	Moldova	
United Republic of Tanzania	Mongolia	
Yemen	Morocco	
	Namibia	
	Nicaragua	
	Niue	
	Papua New Guinea	
	Paraguay	
	Romania	
	Samoa	
	South Africa	
	Turkey	
	Turkmenistan	
	Ukraine	
	Uzbekistan	
	Vanuatu	
	Viet Nam	
	Zimbabwe	

Annex VI

CAPACITY-BUILDING IN GOVERNANCE: COUNTRY EXAMPLES

UNDP supports governance capacity-building activities in a number of focus areas at the country level. These include:

(a) Support to governance institutions, including the judiciary, parliament and electoral bodies. Examples include technical cooperation to strengthen the parliament and judiciary in Moldova and Peru; providing support to the electoral processes in Bangladesh and the United Republic of Tanzania; and providing assistance to national ombudsmen in El Salvador, Guatemala and Latvia.

(b) Support to decentralization and local governance. Examples include strengthening the capacities of the District Development Committees and Village Development Committees in Nepal, and providing support to the formulation of a national decentralization strategy framework in Mozambique. Global programmes include the Local Initiative Facility for Urban Environment, which provides support for low-cost urban environmental projects at the community level in 12 pilot countries. The overall aim is to promote capacity-building of local institutions through a process of "local-local dialogue".

(c) Providing support to public and private sector management. Examples include supporting civil service reform in Eritrea and Zambia; supporting public enterprise divestment in Guyana; promoting private sector development in Egypt; and strengthening economic and financial management in Yemen. Global level programmes include the United Nations International Short-Term Advisory Resources (UNISTAR), which had assisted more than 600 private and State-owned businesses in 50 countries by the end of 1996. Advisory assignments ranged from support for the financial restructuring of state-owned airlines in the Commonwealth of Independent States region to the introduction of energy-efficient coal-fired stove technologies for the rural poor in China.

(d) Providing support for comprehensive governance programmes that include several governance components that aim to complement each other in a synergistic manner and target the governance system as a whole, encompassing the relationships among public institutions, private sector and civil society. Examples of such activities include providing support to the Government of Bangladesh in its implementation of a National Programme on Public Management for Good Governance. The main objective of the Programme is the development of existing national capacities to initiate and manage change processes in key governance institutions and systems; providing support to the various components of the Government of Mongolia's Management Development Programme. This programme is designed to enhance effective and efficient management capacities for the public and private sectors in the context of a market economy and a democratic society; and initiate a programme of support to the Palestinian Authority in the area of governance and public administration with the overall aim of strengthening and improving its institutional capacity.